



Related MLN Matters Article #: MM5551

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Related CR #: 5551

Home Health Agencies (HHAs) Providing Durable Medical Equipment (DME) in Competitive Bidding Areas

Key Words

MM5551, CR5551, R1246CP, HHA, DME Bidding, Equipment

Provider Types Affected

All HHAs billing Medicare Fiscal Intermediaries (FIs) or Regional Home Health Intermediaries (RHHIs) for DME provided to Medicare beneficiaries

Key Points

- The effective date of the instruction is April 1, 2008.
- The implementation date is April 1, 2008.
- MLN Matters article MM5551 and related Change Request (CR) 5551 provide general guidelines for processing HHA claims.
- Beginning in 2007, in a competitive bidding area, a supplier must be awarded a contract by the Centers for Medicare & Medicaid Services (CMS) in order to bill Medicare for competitively bid DME.
- Therefore, HHAs that furnish DME and are located in an area where DME items are subject to a competitive bidding program must either:
 - Be awarded a contract to furnish the items in this area or
 - Use a contract supplier in the community to furnish these items.
- The competitive bidding items will be identified by Healthcare Common Procedure Coding System (HCPCS) codes and the competitive bidding areas will be identified based on the ZIP codes where beneficiaries receiving these items maintain their permanent residence.
- The DME Medicare Administrative Contractors (DME MACs) will have edits in place indicating which entities are eligible to bill for competitive bid items and the appropriate competitive bid payment amount.

Important Points in MM5551

- All suppliers of competitively bid DME **must bill the DME MAC** for these items and will no longer be allowed to bill the RHHs for competitive bid items.
- Claims submitted to the RHHI for HCPCS codes subject to a competitive bidding program will be returned to the provider to remove the affected DME line items, and the providers will be advised to submit those charges to the DME MACs who will have jurisdiction over all claims for competitively bid items.
- Claims for DME furnished by HHAs that are not subject to competitive bidding would still be submitted to the RHHs.

Important Links

The related MLN Matters article can be found at

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM5551.pdf> on the CMS website.

The official instruction (CR5551) regarding this change may be viewed at

<http://www.cms.gov/Transmittals/downloads/R1246CP.pdf> on the CMS website. Attached to CR5551 is a list of the HCPCS codes and ZIP codes applicable to the competitive bidding areas.

For information on registering to compete for a DME contract in the competitive bidding areas, providers should review the MLN Matters article titled, "Initial Supplier Registration for Competitive Bidding Program is Now Open", which is at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0717.pdf> on the CMS website.

If providers have questions regarding this issue, they may contact their Medicare RHHI, FI, or DME MAC at their toll-free number, which may be found at

<http://www.cms.hhs.gov/MLNProducts/downloads/CallCenterTollNumDirectory.zip> on the CMS website.